GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

STARRED QUESTION NO:200
ANSWERED ON:10.03.2016
Coastal Shipping
Mahendran Shri C.

Will the Minister of SHIPPING be pleased to state:

(a) whether India and Bangladesh have signed the Standard Operating Procedure (SOP) for operationalising the Agreement on Coastal Shipping between both the countries and if so, the details thereof;
(b) whether the said Agreement is likely to pave the way to promote coastal shipping between India and Bangladesh and further enhance bilateral trade by bringing down the cost of cargo transportation and if so, the details thereof;
(c) whether this will also enhance the movement of cargo to the landlocked North East Indian States; and
(d) if so, the details thereof?

Answer

ANSWER
MINISTER OF SHIPPING
(SHRI NITIN JAIRAM GADKARI)

(a)to(d): A Statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.200 TO BE ANSWRED ON 10th MARCH, 2016 RAISED BY SHRI C. MAHENDRAN REGARDINGCOASTAL SHIPPING.

(a): Yes, Madam. India and Bangladesh have signed a Standard Operating Procedure (SOP) for operationalising the Agreement on Coastal Shipping between the two countries on 15th November, 2015 at New Delhi.
The SOP is designed to promote and facilitate the day to day commercial operations of the vessels plying between the two countries in accordance with the agreement and minimize any unnecessary hindrance in operation for the optimum benefit to the peoples of the two countries. It sets out the routes of the voyage and responsibilities of each country with respect to conservancy and pilotage, port dues and other charges, handling facilities, supply of bunkers, purchase of essential stores, repair facilities, removal of wreck, settlement of disputes, assistance to be provided by either country to the vessels of the other in distress, ports of call, registration and issue of identity cards.

(b): Yes, Madam. At present, the connectivity through the sea route with Bangladesh is via the ports of Colombo and Singapore. The long sea route adds significantly to transportation costs for EXIM trade. The coastal shipping agreement would allow movement of smaller ships and provide direct connectivity for eastern sea ports of India with Chittagong and other ports in Bangladesh. This would provide the following benefits.

(i) Improve seaside connectivity and also provide competitive freight rates.
(ii) Indian ports will attract enhanced cargo and overall transportation cost to
Bangladesh would get reduced.
(iii)The deep draft ports on eastern coast of India may become hub ports (trans-shipment) for the onward transportation of cargo to Bangladesh via coastal mode through river-sea vessel (RSV) category.
(iv) Reduce traffic congestion at 'Petrapole' and 'Benapole' on Bangladesh side and facilitate smooth movement of EXIM cargo between the two countries.

(c)&(d):Yes, Madam. The said costal shipping agreement allows vessels to move from Indian coastal ports to riverine ports in Bangladesh which are closer to the border areas of North East Indian States. Since water transport is a comparatively cheaper mode of transport vis-a-vis road transport, the cargo destined for the Indian North Eastern Region may move by smaller ships to the riverine ports of Bangladesh and, thus, provide an alternative access to these states in an expeditious and cost-effective manner, in addition to the existing circuitous land routes. Further, the Motor Vehicles Agreement for the regulation of passenger, personal and cargo vehicular traffic between Bangladesh, Bhutan, India and Nepal would also facilitate the movement of cargo for North East Region by road through Bangladesh.

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